REMARKS

1. Reconsideration and further prosecution of the above-identified application are respectfully requested in view of the amendments and discussion that follows. Claims 1-27 have been rejected under 35 U.S.C. §103(a) as being obvious over U.S. Pat. No. 6,347,304 to Taricani, Jr. in view of U.S. Pat. No. 6,078,898 to Davis et al. Claims 1-9 have been rejected under 35 U.S.C. §101 as being directed to non-statutory subject matter. After a careful review of the claims (as amended), it has been concluded that the rejections are in error and the rejections are therefore traversed.

2. Claims 1-27 have been rejected as being obvious over Taricani, Jr. in view of Davis et al. In response, independent claims 1, 10 and 19 have been further limited to composing summaries within a central processing unit of the seller and within a central processing unit of the buyer. Support for the additional limitation regarding the central processing units may be found at page 8, lines 15-17.

In contrast and under Taricani, Jr., a "network computer 1 after reviewing the data in the database 2 then automatically generates and sends . . . tax due notices to purchasers of goods" (Taricani, Jr., col. 6, lines 37-40). Further, "the operator of the network of the present invention acts as an agent of the revenue agency" Taricani, Jr., col. 6, lines 44-45). In addition, Taricani, Jr. functions to "require sellers to make such information available or to require sellers to download such information to a central data warehouse which can then be accessed by the network computer" (Taricani, Jr., col. 8,

lines 29- 32). As such, the network computer 1 is clearly not a central processing unit of the seller. In addition, information from the sellers is acquired by audit where the "audit can be a manual audit or can be an automatic audit which electronically scans the sales files 7 of the seller" (Taricani, Jr., col. 8, lines 8-13).

Since the network computer 1 and network operator are agents of the revenue agency and process information downloaded from sellers or electronically scanned from the sales files 7 of the seller, there is no central processing unit of the seller that composes a summary that is transferred to a secure database within the meaning of the claimed invention.

Similarly, Davis et al. fails to provide any teaching of a central processing unit of the buyer or seller that composes a summary of the transaction independent of a summary composed by the buyer. Since the combination of Taricani, Jr. and Davis et al. fails to provide any teaching or suggestion of this claim element, the rejections are believed to be improper and should be withdrawn.

Further, even assuming arguendo that Taricani, Jr. did each provide a central processing unit that composes a summary of the transaction (which Taricani, Jr. and Davis et al. do not), there is another reason why the rejection is improper. The reason is that Taricani, Jr. and Davis et al. each purport to provide a complete solution to tax collection. As such, there would be no reason to combine Taricani, Jr. and Davis et al. in the manner suggested by the Examiner.

Applicant submits, upon a close examination of the record, that the Examiner has failed to meet the burden of

establishing a prima facie case of obviousness. In general, the Examiner has failed to establish, with evidence or reasoning, why one skilled in the art would have been led by the relevant teachings of the applied references to make the proposed combination. Since Taricani, Jr. and Davis et al. each provide a complete tax collection solution, there would be no reason to combine them.

Further, the Examiner has apparently engaged in hindsight reconstruction as demonstrated by his assertion that Taricani Jr. and Davis et al. teach calculating a tax due based upon the identified matter and determined local of the buyer and seller where the consideration of the local of both the buyer and seller is not taught by either reference and, in fact, is only the specification that teaches this element in a manner that could be understood and put to a practical use.

Further, the fact that the Examiner relies upon the disparate elements from alternative solutions such as Taricani Jr. and Davis et al. demonstrates that the Examiner has failed to consider the claimed subject matter "as a whole". The failure of the Examiner to consider the claimed subject matter "as a whole" is further demonstrated by the fact that none of the cited patents of the combination is directed to solving or even recognizing the precise problem solved by the claimed invention. Since none of the cited patents are directed to a method or apparatus that allows for the calculation of tax based upon a summary from both buyer and seller, there would be no reason to combine the references in the manner suggested by the Examiner. Since there would be no reason to combine Taricani, Jr. and Davis et al. in the manner suggested by

the Examiner, the rejection is believed to be improper and should be withdrawn.

3. Claims 1-9 have been rejected under 35 U.S.C. §101 as being directed to non-statutory subject matter. However, as now claimed, the claims are now clearly limited to structure a computer system that tracks taxes due on a transaction is clearly within the bounds of statutory subject matter.

4. Allowance of claims 1-27, as now presented, is believed to be in order and such action is earnestly solicited. Should the Examiner be of the opinion that a telephone conference would expedite prosecution of the subject application, he is respectfully requested to telephone applicant's undersigned attorney.

Respectfully submitted,
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